GOVERNMENT OF INDIA
LAW , JUSTICE AND COMPANY AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:609
ANSWERED ON:26.07.2001
INSPECTION OF COMPANIES
PRABHUNATH SINGH

Will the Minister of LAW , JUSTICE AND COMPANY AFFAIRS be pleased to state:

(a) whether inspection of the companies registered with the Government is to be carried out under section 209A of the Companies Act 1956;

(b) if so, the details thereof;

(c) whether these inspections are carried out on regular basis;

(d) if not, the reasons therefor;

(e) whether the department of company affairs has ordered inspection of Zee, HFCL, DSQ and KP firms books;

(f) if so, the details thereof; and

(g) the outcome of the inspection and the action taken thereon?

Answer

THE MINISTER OF LAW, JUSTICE & COMPANY AFFAIRS AND SHIPPING (SHRI ARUN JAITELY)

(a), (b), (c) & (d) Provisions of Section 209A of the Companies Act 1956 empower the Registrar of Companies and any other officer of the Government duly authorised by the Central Government to conduct inspection of books of accounts and other records of companies. Inspection of companies is ordered on the basis of newspaper reports, references received from other Government Departments, suggestions made by the field organizations of the Department of Company Affairs (DCA) after scrutiny of the documents filed by the companies with the Registrar of Companies, complaints from investors, directors of the companies concerned and also on the basis of suggestions made in the inspection reports.

(e), (f) and (g) Yes sir, the Department of Company Affairs has ordered inspection of books of accounts and other records of Zee, HFCL, DSQ and several KP firms under Section 209A of the Companies Act 1956The inspections of these companies are in progress. Further action will be taken on receipt of the inspection reports.